

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

INVESTIGATION OF TELECOMMUNICATIONS	)	
SERVICES BY AMERICALL DIAL-O SERVICES,	)	
INC.	)	
	)	CASE NO. 90-001
_____	)	
	)	
ALLEGED VIOLATIONS OF KRS CHAPTER 278	)	

O R D E R

The Commission opened an investigation of AmeriCall Systems of Louisville in Case No. 89-132<sup>1</sup> on May 22, 1989. The evidence presented in that investigation indicates that AmeriCall Dial-O Services, Inc. ("Dial-O") is operating as a utility as defined by KRS 278.010 and does not have effective schedules showing all rates and conditions for service in violation of KRS 278.160. The Commission will therefore incorporate the record of Case No. 89-132 into this investigation.

The evidence in Case No. 89-132 establishes that AmeriCall's relationship with Dial-O is very different from that described in AmeriCall's response to the Commission's May 25, 1989 Order, which states that Dial-O provides operator services to AmeriCall's customers. Dial-O's role is much more than that. There is no written contract between AmeriCall and Dial-O. (See Response to

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<sup>1</sup> Case No. 89-132, The Provision of Operator Services by AmeriCall Systems of Louisville.

Commission's June 16, 1989 Order, Item 3.) AmeriCall filed contracts that AmeriCall and Dial-O had entered into for the provision of operator services. (See AmeriCall's response HR 11.) AmeriCall has contracted with only one customer to provide operator services and that is with the University of Kentucky. All other contracts for the provision of operator services are made by and entered into by Dial-O, with the exception of a few earlier dated contracts entered into by VeriCall. All of the Dial-O contracts specifically provide that Dial-O will provide the telecommunication services including operator services. None of the contracts indicate that AmeriCall has any role in the telecommunications agreements.

Pursuant to the contract terms, Dial-O receives all of the revenues from the ratepayers for the provision of telecommunication services. AmeriCall receives approximately 20 percent of all of Dial-O's gross revenues for providing the underlying transmission services to Dial-O's customers. (See AmeriCall's Response HR 14.) Dial-O retains approximately 80 percent of gross revenues. In addition to the contracts, it appears that all other revenues go to Dial-O.

Dial-O, not AmeriCall, contracts with the unaffiliated entity that actually performs the operator services. Additionally, Dial-O contracts for the billing and collection services necessary for the provision of operator services. (See AmeriCall's Response HR 9.) The billing service agreement describes Dial-O as the customer "engaged in business of providing telecommunication services including operator services."

Therefore, the Commission finds that Dial-O is a utility within the meaning of KRS 278.010 (3)(e) because it contracts with the public to provide telecommunications services and receive compensation from the public for the provision of said services. The Commission finds that a prima facie showing has been established that Dial-O is operating as a utility in violation of the provisions of KRS Chapter 278.

IT IS THEREFORE ORDERED that:

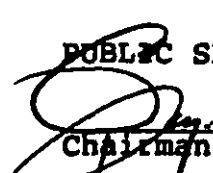
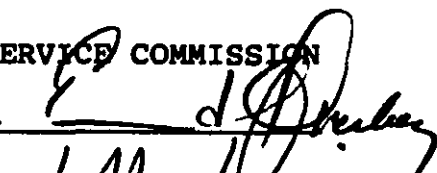
1. The record in Case No. 89-132 shall be incorporated and made a part of the record in this case.

2. Dial-O shall appear and show cause, if any it can, why it should not be penalized under KRS 278.990 for violating provisions of KRS Chapter 278 including, but not limited to, KRS 278.160 at a hearing scheduled for February 21, 1990, at 10:00 a.m., Eastern Standard Time, in Hearing Room No. 1 at the Commission's offices in Frankfort, Kentucky.

3. At the above-scheduled hearing Dial-O shall also be prepared to demonstrate a plan for refunding or crediting customer accounts for any unauthorized amounts collected. Such plan shall include the names and addresses of those customers from which the charges were collected and the amount for each customer that shall be refunded or credited.

Done at Frankfort, Kentucky, this 8th day of January, 1990.

ATTEST:

PUBLIC SERVICE COMMISSION  
  
Chairman  
  
Robert M. Lewis  
Vice Chairman

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Executive Director

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Commissioner